

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA
AT CLARKSBURG**

JOHN KNOTTS,

Plaintiff,

v.

CIVIL ACTION NO. 1:18-cv-00185-TSK

**YORBA CAPITAL MANAGEMENT LLC
and DANIEL PORTILLA,**

Defendants.

DECLARATION OF JEFFREY V. MEHALIC

1. I make this declaration from personal knowledge, and I am competent to testify to the matters stated herein if called upon to do so.
2. I am counsel for Plaintiff John Knotts in this action.
3. Following the Clerk's entry of default against Defendants, on February 8, 2019, Scott R. Cass contacted me on behalf of Defendants to solicit my client's demand for full and complete resolution of this action
4. Following several weeks of negotiations between Mr. Cass, then Rick Adams and me, the parties agreed that Plaintiff would release his claims and dismiss this action with prejudice in exchange for the payment of \$5,000, which would be paid in two installments of \$2,500 each, with the

first payment to be made on or before March 15, 2019 and the second to be made on or before April 15, 2019. The fully executed Settlement Agreement and Release is attached as Exhibit A.

5. Defendants did not make their first payment until March 18, 2019, when they sent \$1,000 via electronic transfer to my client-trust account. A copy of the incoming wire transfer confirmation is attached as Exhibit B.
6. On March 19, 2019, I spoke to Mr. Adams and reminded him of Defendants' obligations under the parties' agreement. Mr. Adams acknowledged Defendants' obligations and told me they would pay the balance of \$4,000 as soon as possible.
7. On April 29, 2019, Defendants sent another \$1,000 via electronic transfer to my client-trust account. A copy of the incoming wire transfer confirmation is attached as Exhibit B.
8. Mr. Adams and I continued to exchange emails in May, and he advised me on May 17 that Defendants would pay \$1,000 during the week of May 20, \$1,000 in June, and the final \$1,000 in July. A copy of Mr. Adams' email is attached as Exhibit C.
9. Defendants did not make any payment during the week of May 20 or at any time since, and I have not heard from Mr. Adams since May 23, when he had sent me an email in which he assured me that Defendants would pay

\$1,000 by May 24. A copy of Mr. Adams' email is attached as Exhibit D.

I make this declaration under 28 U.S.C. § 1746 and declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.



Jeffrey V. Mehalic

Executed this 11th day of June, 2019.

EXHIBIT A

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE is made on this ____ day of March, 2019 by and between John Knotts ("Plaintiff") and Yorba Capital Management LLC and Daniel Portilla ("Defendants").

In consideration of the covenants contained herein, the Parties acknowledge, promise, and agree as follows:

1. In exchange for the consideration described in paragraph 2 below, Plaintiff releases Defendants Yorba Capital Management LLC and Daniel Portilla ("the Released Parties") from any and all claims, including those described in paragraph 4 below. The Released Parties release Plaintiff from any and all claims related to the debt allegedly at issue in Case No. KL0075458 and any other demand for payment.
2. The Released Parties agree to send, via wire transfer, one payment in the amount of \$2,500 payable to Plaintiff's attorney, Jeffrey V. Mehalic, on or before March 15, 2019 and a second and final payment in the amount of \$2,500 payable to Plaintiff's attorney, Jeffrey V. Mehalic, on or before April 15, 2019, for a total of \$5,000. Mr. Mehalic's wire information is:

Account No.: 984339317
Routing No.: 044000037
Bank: JPMorgan Chase Bank, N.A.
Swift Code: CHASUS33
Email address: jeff@mehaliclaw.com

Plaintiff agrees he will be responsible for any tax consequences, including the payment of any taxes, as a result of entering into this Agreement. The Parties shall bear his or its own court costs and attorney's fees.

3. The Released Parties represent that they are the sole creditor with respect to the debt allegedly at issue in Case No. KL0075458 and have complete authority to act. As further consideration for this Agreement, the Released Parties release the Plaintiff from any and all claims related to the debt allegedly at issue in Case No. KL0075458 and any other demand for payment. The Released Parties further agree to cease all collection activity regarding any and all claims related to the debt allegedly at issue in Case No. KL0075458 and will not assign, sell, or transfer any

tights in connection with any and all claims related to the debt allegedly at issue in Case No. KL0075458.

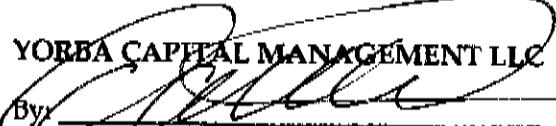
4. After receipt of the Signed Agreement, the Released Parties will request, through their standard processes, that the national credit-reporting agencies, Equifax, Experian, and TransUnion, delete the Released Parties' reporting of the trade lines associated with the debt allegedly at issue in Case No. KL0075458.
5. Within seven days of the second and final payment set forth in Paragraph 2, the Plaintiff will dismiss with prejudice the lawsuit styled as *John Knotts, Plaintiff v. Yorba Capital Management LLC and Daniel Portilla, Defendants*, Civil Action No. 1:18-cv-00185-TSK, which is pending in the United States District Court for the Northern District of West Virginia, by filing an appropriate order of dismissal with the court.
6. The provisions of this Agreement shall inure to the benefit of and shall be binding upon the successors-in-interest, assigns, and legal representatives of the Released Parties and the Plaintiff.
7. West Virginia law shall govern the validity and interpretation of this Agreement.
8. This Agreement sets forth the entire understanding and agreement between the Parties regarding its subject matter and supersedes any prior or contemporaneous oral and/or written agreements or representations.
9. This Agreement may not be altered or amended in any of its provisions except by the mutual written agreement of the Parties.
10. Should any of the provisions set forth herein be determined by any court, agency, or other tribunal of competent jurisdiction, such determination shall not affect the enforceability of the other provisions herein, which are hereby declared to be severable.
11. This Agreement may be executed in counterparts and/or by facsimile signatures with the same force and effect as if executed in one complete document with the original signatures of all parties.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement effective as of the date first above written, regardless of the date on which such Agreement is signed.

JOHN KNOTTS

✓ John L. Knotts
✓ Date: 3-8-2019

YORBA CAPITAL MANAGEMENT LLC

By: 

Name: Dan Portilla

Title: Member

Date: 3/13/19

DANIEL PORTILLA


Date: 3/13/19

EXHIBIT B

CHASE for BUSINESS

Printed from Chase for Business

IOLTA ACCOUNT (...9317) >

Account activity

SHOWING	Incoming wire transfer		
Date	Description	Type	Amount
Apr 29, 2019	FEDWIRE CREDIT [REDACTED] [REDACTED] B/O: YORBA CAPITAL MANAGEMENT ANAHEIM, CA 92806-5955 REF: CHASE NYC/CTR/BNF=JEF FREY MEHALIC DBA LAW OFFICES OF MORGANTOWN, WV 26 5053202 [REDACTED] [REDACTED] [REDACTED]	Incoming wire transfer	\$1,000.00

Date	Description	Type	Amount
Mar 18, 2019	FEDWIRE CREDIT [REDACTED] B/O: YORBA CAPITAL MANAGEMENT ANAHEIM, CA 92806-5955 REF: CHASE NYC/CTR/BNF=JEF FREY MEHALIC DBA LAW OFFICES OF MORGANTOWN, WV 26 5053202 [REDACTED] [REDACTED] [REDACTED]	Incoming wire transfer	\$1,000.00

EXHIBIT C

Yorba settlement

customersupport@yorbacapital.com

<customersupport@yorbacapital.com>

To: "Jeffrey V. Mehalic" <jeff@mehaliclaw.com>

Fri, May 17, 2019 at
12:01 PM

We will be sending \$1,000.00 via wire next week, following with \$1,000.00 in June and concluding in July

EXHIBIT D

Yorba settlement

customersupport@yorbacapital.com
<customersupport@yorbacapital.com>
To: "Jeffrey V. Mehalic" <jeff@mehaliclaw.com>

Thu, May 23, 2019 at
9:14 AM

Mr. Mehalic,
Respectfully the week is not over and we intend to follow through with the
previous e-mail sent May 17th
Thank you